

HOUSE BILL No. 1353

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-20; IC 4-30-17-3.5; IC 6-1.1; IC 6-3.1-4-2; IC 6-3.5; IC 6-5.5-8-2; IC 6-6-5-10; IC 12-13-5-5; IC 12-17-3-2; IC 12-19; IC 21-3-1.7-9; IC 20-5-4-6; IC 21-3-1.7; IC 21-4-20-1; IC 31-34-24-13; IC 31-37-24-13; IC 31-40-1; IC 36-2-6-3.

Synopsis: School and welfare finance; state expenditures. Ties increases in state expenditures to increases in inflation and population. Allows the general assembly to authorize additional spending through adoption of a concurrent resolution. Establishes the excess tax fund to receive certain state revenues that exceed the spending limit and to fund property tax relief programs. Eliminates a county's authority to impose a property tax levy for the county family and children's fund and to borrow for welfare purposes. Transfers responsibility for funding children's services to the state. Transfers \$50,000,000 annually from the lottery and gaming surplus account to the state welfare replacement fund to fund children's services. Appropriates necessary funding from the state general fund. Provides a credit paid from the state general fund against a taxpayer's inventory tax liability. Specifies that the credit is 25% of net inventory tax liability in 2003 and increases to 100% of net inventory tax liability in 2006 and thereafter. Repeals the apportionment limit to the state research expense tax credit and provides that a taxpayer's credit is based solely on the taxpayer's Indiana qualified research expenses. Eliminates the school general fund property tax levy for taxes first due and payable in 2003 and appropriates necessary school funding from the state general fund. Amends the tuition support formula and the calendar year tuition support levy cap for calendar year 2003 to compensate for the elimination. Makes conforming amendments. Repeals county welfare property tax controls. Repeals provisions relating to the county welfare fund. Repeals provisions relating to county financing of certain family and children services.

Effective: Upon passage; January 1, 2002 (retroactive); July 1, 2002; January 1, 2003; January 1, 2004; January 1, 2005.

Dumezich

January 15, 2002, read first time and referred to Committee on Ways and Means.



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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1353

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-10-20 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **Chapter 20. State Fiscal Year Spending Limit**

5 **Sec. 1. (a) This chapter does not apply to the extent that**
6 **payments for pensions, including accrued unfunded liability, and**
7 **final court judgments on which the state is obligated to pay exceed**
8 **the spending limits imposed by this chapter.**

9 **(b) This chapter does not apply to the extent that money**
10 **expended from a reserve fund exceeds the spending limits imposed**
11 **by this chapter if the initial transfer of the money into the reserve**
12 **fund was included in the fiscal year spending of a previous state**
13 **fiscal year.**

14 **Sec. 2. As used in this chapter, "CPI" refers to the United States**
15 **Bureau of Labor Statistics Consumer Price Index for All Urban**
16 **Consumers for the U.S. City Average for All Items or its successor**
17 **index.**

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1 **Sec. 3.** As used in this chapter, "fiscal year spending" means all
 2 state governmental expenditures and reserve increases in a state
 3 fiscal year except expenditures from the following:

- 4 (1) Money deposited into the excess tax fund established by
- 5 section 11 of this chapter.
- 6 (2) Money received as gifts.
- 7 (3) Federal funds.
- 8 (4) Money collected for another government.
- 9 (5) Pension contributions by employees and pension fund
- 10 earnings.
- 11 (6) Money received from damage awards.
- 12 (7) Money received from property sales.
- 13 (8) Money received from settlement awards.
- 14 (9) State dedicated funds.

15 **Sec. 4.** As used in this chapter, "inflation" means, with respect
 16 to any fiscal year, the lesser of:

- 17 (1) the percentage change between:
- 18 (A) the quotient of:
- 19 (i) the sum of the CPI for the twelve (12) months ending
- 20 in April of the calendar year before the adoption of the
- 21 state biennial budget; divided by
- 22 (ii) twelve (12); and
- 23 (B) the quotient of:
- 24 (i) the sum of the CPI for the twelve (12) months ending
- 25 in April of the calendar year before the calendar year
- 26 described in clause (A); divided by
- 27 (ii) twelve (12); or
- 28 (2) six percent (6%).

29 **Sec. 5.** As used in this chapter, "maximum annual percentage
 30 change in fiscal year spending" means the sum of the following:

- 31 (1) Inflation with respect to the fiscal year in question, as
- 32 calculated under section 4 of this chapter.
- 33 (2) The annual percentage rate of change in population.
- 34 (3) One percent (1%).

35 **Sec. 6.** As used in this chapter, "population" means:

- 36 (1) the number of residents of the state as estimated by the
- 37 United States Bureau of the Census each year; or
- 38 (2) the number of residents of the state as counted by the
- 39 United States Bureau of the Census in a decennial census.

40 **Sec. 7.** As used in this chapter, "state fiscal year" means the
 41 twelve (12) month period beginning July 1 in a calendar year.

42 **Sec. 8.** Before July 1, 2003, and each odd-numbered year

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thereafter, the department of state revenue shall:

(1) certify to the governor and the legislative council:

(A) the inflation amount calculated under section 4 of this chapter; and

(B) the annual percentage rate of change in population as reported in the most recent population estimate report of the United States Bureau of the Census; and

(2) release the information certified under subdivision (1) to the general public.

Sec. 9. (a) This subsection applies to a state fiscal year beginning July 1, 2004, and each even-numbered year thereafter. The state may not increase fiscal year spending more than the maximum annual percentage change in fiscal year spending applicable to that state fiscal year.

(b) This subsection applies to a state fiscal year beginning July 1, 2005, and each odd-numbered year thereafter. State fiscal year spending may not exceed the amount determined under the following STEPS:

STEP ONE: Determine the amount of state fiscal year spending permitted under subsection (a).

STEP TWO: Multiply the STEP ONE amount by the maximum annual percentage change in fiscal year spending applicable to the previous state fiscal year.

STEP THREE: Add the amount determined under STEP TWO to the STEP ONE amount.

(c) If the general assembly considers it necessary to spend beyond the spending limit imposed by this chapter, the general assembly may do so by adopting a concurrent resolution approved by a majority of both houses of the general assembly. The resolution must state:

(1) that the general assembly desires to budget and spend more funds than permitted by this chapter; and

(2) the reasons necessitating the excess spending.

Sec. 10. If revenue from sources not excluded from fiscal year spending exceeds the spending limit imposed under this chapter for that state fiscal year, the excess must be deposited into the excess tax fund established by section 11 of this chapter to be used for property tax relief programs enacted by the general assembly.

Sec. 11. (a) The excess tax fund is established to provide property tax relief under programs enacted by the general assembly. The fund shall be administered by the treasurer of state.

(b) The expenses of administering the fund shall be paid from



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1 money in the fund.

2 (c) The treasurer of state shall invest money in the fund not
3 currently needed to meet the obligations of the fund in the same
4 manner as other public money may be invested. Interest that
5 accrues from these investments shall be deposited in the fund.

6 (d) Money in the fund at the end of a state fiscal year does not
7 revert to the state general fund.

8 SECTION 2. IC 4-30-17-3.5 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.5. (a) Two (2)
10 segregated accounts shall be established within the build Indiana fund
11 as follows:

12 (1) The state and local capital projects account.

13 (2) The lottery and gaming surplus account.

14 (b) Upon receiving surplus lottery revenue distributions from the
15 state lottery commission and surplus gaming revenue distributions from
16 the state gaming commission, the treasurer of state shall credit the
17 surplus lottery revenue and surplus gaming revenue to the lottery and
18 gaming surplus account. All money remaining in the lottery and
19 gaming surplus account after the ~~transfer~~ transfers required by
20 ~~subsection~~ subsections (c) and (e) shall be transferred to the state and
21 local capital projects account.

22 (c) Before the twenty-fifth day of the month, the auditor of state
23 shall transfer from the lottery and gaming surplus account to the state
24 general fund motor vehicle excise tax replacement account an amount
25 equal to the following:

26 (1) In calendar year 1996, eleven million six hundred twenty-five
27 thousand dollars (\$11,625,000) per month.

28 (2) In calendar year 1997, twelve million nine hundred
29 twenty-five thousand twenty dollars (\$12,925,020) per month.

30 (3) In calendar year 1998, fifteen million ten thousand dollars
31 (\$15,010,000) per month.

32 (4) In calendar year 1999, seventeen million one hundred
33 ninety-two thousand dollars (\$17,192,000) per month.

34 (5) In calendar year 2000, nineteen million four hundred
35 thirty-five thousand two hundred ten dollars (\$19,435,210) per
36 month.

37 (6) In calendar year 2001 and each year thereafter, nineteen
38 million six hundred eighty-four thousand three hundred seventy
39 dollars (\$19,684,370) per month.

40 (d) This subsection applies only if insufficient money is available in
41 the lottery and gaming surplus account of the build Indiana fund to
42 make the distributions to the state general fund motor vehicle excise

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tax replacement account that are required under subsection (c). Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the difference between:

(1) the amount that subsection (c) requires the auditor of state to distribute from the lottery and gaming surplus account of the build Indiana fund to the state general fund motor vehicle excise tax replacement account; and

(2) the amount that is available for distribution from the lottery and gaming surplus account in the build Indiana fund to the state general fund motor vehicle excise tax replacement account.

The transfers required under this subsection are annually appropriated from the state general fund.

(e) Before the end of each state fiscal year, the auditor of state shall transfer fifty million dollars (\$50,000,000) from the lottery and gaming surplus account to the state welfare replacement fund.

SECTION 3. IC 6-1.1-17-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 0.2. For purposes of a political subdivision that is a school corporation, this chapter does not apply to objections to or appeals of a budget, tax rate, or tax levy filed after December 31, 2002.**

SECTION 4. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation

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issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

~~(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).~~

~~(7) (6)~~ To meet the requirements of the county hospital care for the indigent fund.

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or ~~the state board of tax commissioners~~ **department of local government finance** may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 5. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.273-1999, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under: ~~any of the following:~~

(1) IC 12-16, except IC 12-16-1; or

~~(2) IC 12-19-5.~~

~~(3) IC 12-19-7.~~

~~(4) (2)~~ IC 12-20-24.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 6. IC 6-1.1-19-0.5 IS ADDED TO THE INDIANA

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CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. This chapter applies to petitions for appeal from a budget, tax rate, or tax levy that is fixed before January 1, 2003.**

SECTION 7. IC 6-1.1-19-1.5, AS AMENDED BY P.L.291-2001, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the ~~state board of tax commissioners~~ **department of local government finance** for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for ~~an ensuing~~ calendar year **2002**, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: Determine the result of:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the quotient resulting from:

(i) the absolute value of the result of the school corporation's adjustment factor minus one (1); divided by

(ii) two (2).

STEP THREE: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP FIVE;

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FIVE and not under STEP FOUR; or

(C) equals the school corporation's previous year property tax

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rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP FOUR or STEP FIVE.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under clause (C) in 2002. ~~and in 2003.~~

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) the sum of:

(i) five cents (\$0.05); plus

(ii) if the school corporation's adjustment factor is more than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002. ~~and in 2003.~~

STEP FIVE: **For calendar year 2002**, determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) the sum of:

(i) nine cents (\$0.09); plus

(ii) if the school corporation's adjustment factor is less than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002. ~~and in 2003.~~

STEP SIX: Determine the result of:

(A) the STEP THREE (C), STEP FOUR, or STEP FIVE result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

(c) For purposes of this section, "total assessed value", as adjusted under subsection (d), with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The ~~state board of tax commissioners~~ **department of local**



government finance may adjust the total assessed value of a school corporation to eliminate the effects of appeals and settlements arising from a statewide general reassessment of real property.

(e) The ~~state board~~ **department of local government finance** shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

- (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
- (2) petition for a correction of error under IC 6-1.1-15-12; or
- (3) petition for refund under IC 6-1.1-26.

(f) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001). All tax levies shall be computed by rounding the levy to the nearest dollar amount.

(g) This section expires December 31, 2003.

SECTION 8. IC 6-1.1-20.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 20.4. Inventory Tax Credits

Sec. 1. As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.

Sec. 2. As used in this chapter, "net property tax liability on inventory" means the property taxes attributable to inventory that are due and payable as shown on the property tax statement sent to a taxpayer after all deductions and credits have been applied under any other statute.

Sec. 3. (a) A taxpayer is entitled to a credit under this chapter against the taxpayer's net property tax liability on inventory under IC 6-1.1-2.

(b) The amount of the credit is equal to:

- (1) the appropriate percentage specified in subsection (c); multiplied by**
- (2) the taxpayer's net property tax liability on inventory for the year.**

(c) The percentage described in subsection (b)(1) is determined by the calendar year in which the property tax on inventory is paid and is set forth in the following table:

CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID	PERCENTAGE OF INVENTORY TAX ALLOWED AS A CREDIT
2003	25%



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1	2004	50%
2	2005	75%
3	2006 and thereafter	100%

4 **Sec. 4. (a)** The county assessor shall determine the amount of
5 each property owner's assessed value that is attributable to
6 inventory in the county. Before December 1 of each year, the
7 county assessor shall provide the county auditor with the amount
8 of inventory assessed value for each owner.

9 **(b)** The county auditor shall compute the amount of property
10 taxes in the county that is attributable to inventory assessed value
11 as reported by the county assessor using the same property tax
12 liability that is used to calculate the property tax replacement
13 credit under IC 6-1.1-21-5, after deducting the property tax
14 replacement credit under IC 6-1.1-21.

15 **Sec. 5.** A taxpayer desiring to claim the credit provided by this
16 chapter must file a certified application on forms prescribed by the
17 department of local government finance with the auditor of each
18 county in which the taxpayer's inventory was located on the
19 assessment date.

20 **Sec. 6.** Before February 1 of each year, each county auditor shall
21 certify to the department of local government finance the amount
22 of credits allowed under this chapter in the county for that
23 calendar year. Except as otherwise provided in this chapter, the
24 credits shall be determined in the same manner as property tax
25 replacement credits are determined under IC 6-1.1-21, after
26 deducting the property tax replacement credit under IC 6-1.1-21.

27 **Sec. 7. (a)** Each year the auditor of state shall allocate from the
28 state general fund an amount equal to the total amount of credits
29 that are provided under this chapter for each county for that year
30 in the same manner as the homestead credits are allocated from the
31 property tax replacement fund under IC 6-1.1-21.

32 **(b)** The auditor of state shall distribute to each county treasurer
33 from the state general fund the estimated distribution for that year
34 for the county at the same time and in the same manner as the
35 homestead credit distributions are made under IC 6-1.1-21. The
36 money in the state general fund is appropriated to make the
37 distributions.

38 **(c)** All distributions provided in this section shall be made on
39 warrants issued by the auditor of state drawn on the treasurer of
40 state.

41 **Sec. 8.** To the extent it is consistent with this chapter,
42 IC 6-1.1-21 applies with respect to the credit under this chapter.

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SECTION 9. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

~~(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county);~~ minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (**repealed**), or IC 12-20-24; minus

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(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

- (i) is entered into after December 31, 1983;
- (ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and
- (iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

- (i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
- (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

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(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a) STEP ONE~~ or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; ~~minus~~

~~(K) for each county, the sum of:~~

~~(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995; or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and~~

~~(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995; or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus~~

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax



1 replacement credits to reduce the individual levies of the taxing
 2 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 3 (4) the amounts, if any, by which the maximum permissible ad
 4 valorem property tax levies of the taxing units of the county were
 5 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 6 assessment year; plus

7 (5) the difference between:

8 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 9 minus

10 (B) the amount the civil taxing units' levies were increased
 11 because of the reduction in the civil taxing units' base year
 12 certified shares under IC 6-1.1-18.5-3(e).

13 (h) "December settlement sheet" means the certificate of settlement
 14 filed by the county auditor with the auditor of state, as required under
 15 IC 6-1.1-27-3.

16 (i) "Tax duplicate" means the roll of property taxes which each
 17 county auditor is required to prepare on or before March 1 of each year
 18 under IC 6-1.1-22-3.

19 SECTION 10. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999,
 20 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2005]: Sec. 9. (a) A county council may adopt an
 22 ordinance to abolish the county board of tax adjustment. This ordinance
 23 must be adopted by July 1 and may not be rescinded in the year it is
 24 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19,
 25 ~~IC 12-19-7~~, IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11,
 26 IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted,
 27 this section governs the treatment of tax rates, tax levies, and budgets
 28 that would otherwise be reviewed by a county board of tax adjustment
 29 under IC 6-1.1-17.

30 (b) The time requirements set forth in IC 6-1.1-17 govern all filings
 31 and notices.

32 (c) A tax rate, tax levy, or budget that otherwise would be reviewed
 33 by the county board of tax adjustment is considered and must be treated
 34 for all purposes as if the county board of tax adjustment approved the
 35 tax rate, tax levy, or budget. This includes the notice of tax rates that is
 36 required under IC 6-1.1-17-12.

37 SECTION 11. IC 6-3.1-4-2 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
 39 Sec. 2. ~~(a)~~ A taxpayer who incurs Indiana qualified research expense
 40 in a particular taxable year is entitled to a research expense tax credit
 41 for the taxable year

42 ~~(b) A taxpayer who does not have income apportioned to this state~~

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for a taxable year under IC 6-3-2-2 is entitled to a research expense tax credit for the taxable year in the amount of the product of:

- (1) five percent (5%); multiplied by
- (2) the remainder of the taxpayer's Indiana qualified research expenses for the taxable year, minus:
 - (A) the taxpayer's base period Indiana qualified research expenses, for taxable years beginning before January 1, 1990; or
 - (B) the taxpayer's base amount, for taxable years beginning after December 31, 1989.

(c) A taxpayer who has income apportioned to this state for a taxable year under IC 6-3-2-2 is entitled to a research expense tax credit for the taxable year in the amount of the lesser of:

- (1) the amount determined under subsection (b); or
 - (2) five percent (5%) multiplied by the remainder of the taxpayer's total qualified research expenses for the taxable year, minus:
 - (A) the taxpayer's base period research expenses, for taxable years beginning before January 1, 1990; or
 - (B) the taxpayer's base amount, for taxable years beginning after December 31, 1989;
- further multiplied by the percentage determined under IC 6-3-2-2 for the apportionment of the taxpayer's income for the taxable year to this state:

SECTION 12. IC 6-3.5-1.1-15, AS AMENDED BY P.L.283-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

- (1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus
- (4) in the case of a county, an amount equal to:
 - (A) the property taxes imposed by the county in 1999 for the



1 county's welfare fund and welfare administration fund; plus
 2 (B) after December 31, 2002, the greater of zero (0) or the
 3 difference between:

4 (i) the county hospital care for the indigent property tax levy
 5 imposed by the county in 2002, adjusted each year after
 6 2002 by the statewide average assessed value growth
 7 quotient described in IC 12-16-14-3; minus

8 (ii) the current uninsured parents program property tax levy
 9 imposed by the county; **plus**

10 **(C) the property taxes imposed by the county in 2003 for**
 11 **the county family and children's fund.**

12 (b) The part of a county's certified distribution that is to be used as
 13 certified shares shall be allocated only among the county's civil taxing
 14 units. Each civil taxing unit of a county is entitled to receive a
 15 percentage of the certified shares to be distributed in the county equal
 16 to the ratio of its attributed levy to the total attributed levies of all civil
 17 taxing units of the county.

18 (c) The local government tax control board established by
 19 IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing
 20 units that are entitled to receive certified shares during a calendar year.
 21 If the ad valorem property tax levy of any special taxing district,
 22 authority, board, or other entity is attributed to another civil taxing unit
 23 under subsection (b)(2), then the special taxing district, authority,
 24 board, or other entity shall not be treated as having an attributed levy
 25 of its own. The local government tax control board shall certify the
 26 attributed levy amounts to the appropriate county auditor. The county
 27 auditor shall then allocate the certified shares among the civil taxing
 28 units of the auditor's county.

29 (d) Certified shares received by a civil taxing unit shall be treated
 30 as additional revenue for the purpose of fixing its budget for the
 31 calendar year during which the certified shares will be received. The
 32 certified shares may be allocated to or appropriated for any purpose,
 33 including property tax relief or a transfer of funds to another civil
 34 taxing unit whose levy was attributed to the civil taxing unit in the
 35 determination of its attributed levy.

36 SECTION 13. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001,
 37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2005]: Sec. 17.6. (a) This section applies to a county
 39 containing a consolidated city.

40 (b) On or before July 15 of each year, the budget agency shall make
 41 the following calculation:

42 STEP ONE: Determine the cumulative balance in a county's

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account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) the property taxes imposed by the county in 2004 for the county family and children's fund; plus

(C) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) the property taxes imposed by the county in 2004 for the county family and children's fund; plus



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(C) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the state statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 14. IC 6-3.5-6-18, AS AMENDED BY P.L.283-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

(5) make payments permitted under subsection (i); and

(6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the

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following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2004 for the county family and children's fund**, and after December 31, 2002, the greater of zero

(0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county. The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2004 for the county family and children's fund**, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(f) The ~~state board of tax commissioners~~ **department of local government finance** shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

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(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The ~~state board of tax commissioners~~ **department of local government finance** shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 15. IC 6-3.5-6-18.5, AS AMENDED BY P.L.283-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858



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1	Beech Grove	.00845
2	Southport	.00025
3	Speedway	.00722
4	Indianapolis/Marion County	.86409
5	(2) Notwithstanding subdivision (1), for the calendar year	
6	beginning January 1, 1995, the distributive shares for each civil	
7	taxing unit in a county containing a consolidated city shall be not	
8	less than the following:	
9	Center Township	\$1,898,145
10	Decatur Township	\$164,103
11	Franklin Township	\$173,934
12	Lawrence Township	\$890,086
13	Perry Township	\$854,544
14	Pike Township	\$1,410,375
15	Warren Township	\$1,027,721
16	Washington Township	\$1,017,890
17	Wayne Township	\$988,397
18	Lawrence-City	\$648,848
19	Beech Grove	\$639,017
20	Southport	\$18,906
21	Speedway	\$546,000
22	(3) For each year after 1995, calculate the total amount of	
23	revenues that are to be distributed as distributive shares during	
24	that month as follows:	
25	STEP ONE: Determine the total amount of revenues that were	
26	distributed as distributive shares during that month in calendar	
27	year 1995.	
28	STEP TWO: Determine the total amount of revenue that the	
29	department has certified as distributive shares for that month	
30	under section 17 of this chapter for the calendar year.	
31	STEP THREE: Subtract the STEP ONE result from the STEP	
32	TWO result.	
33	STEP FOUR: If the STEP THREE result is less than or equal	
34	to zero (0), multiply the STEP TWO result by the ratio	
35	established under subdivision (1).	
36	STEP FIVE: Determine the ratio of:	
37	(A) the maximum permissible property tax levy under	
38	IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing unit for	
39	the calendar year in which the month falls, plus, for a	
40	county, an amount equal to the property taxes imposed by	
41	the county in 1999 for the county's welfare fund and welfare	
42	administration fund plus the property taxes imposed by	

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the county in 2004 for the county family and children's fund, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2003 for the county family and children's fund**, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property

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taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2004 for the county family and children's fund**, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2004 for the county family and children's fund**, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

SECTION 16. IC 6-3.5-7-12, AS AMENDED BY P.L.283-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. (a) Except as provided in section 23 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and section 15 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to:



(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus
 (ii) **the property taxes imposed by the county in 2004 for the county family and children's fund; plus**
 (iii) after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2004 for the county family and children's fund**, and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

- (1) The ordinance is effective January 1 of the following year.
- (2) The amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:
 - (A) the amount of the certified distribution for the month; multiplied by
 - (B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population

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1 of all cities and towns located in the county and the population
2 of the part of the county that is not located in a city or town.

3 (3) The ordinance may be made irrevocable for the duration of
4 specified lease rental or debt service payments.

5 (d) The body imposing the tax may not adopt an ordinance under
6 subsection (c) if, before the adoption of the proposed ordinance, any of
7 the following have pledged the county economic development income
8 tax for any purpose permitted by IC 5-1-14 or any other statute:

9 (1) The county.

10 (2) A city or town in the county.

11 (3) A commission, a board, a department, or an authority that is
12 authorized by statute to pledge the county economic development
13 income tax.

14 (e) The ~~state board of tax commissioners~~ **department of local**
15 **government finance** shall provide each county auditor with the
16 fractional amount of the certified distribution that the county and each
17 city or town in the county is entitled to receive under this section.

18 (f) Money received by a county, city, or town under this section
19 shall be deposited in the unit's economic development income tax fund.

20 (g) Except as provided in subsection (b)(2)(B), in determining the
21 fractional amount of the certified distribution the county and its cities
22 and towns are entitled to receive under subsection (b) during a calendar
23 year, the ~~state board of tax commissioners~~ **department of local**
24 **government finance** shall consider only property taxes imposed on
25 tangible property subject to assessment in that county.

26 (h) In a county having a consolidated city, only the consolidated city
27 is entitled to the certified distribution, subject to the requirements of
28 section 15 of this chapter.

29 SECTION 17. IC 6-3.5-8-12, AS ADDED BY P.L.151-2001,
30 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2004]: Sec. 12. (a) If the fiscal body of a municipality in
32 a qualifying county adopts an ordinance under section 11(a) of this
33 chapter, the ~~state board of tax commissioners~~ **department of local**
34 **government finance** may not certify a budget for the municipality
35 under IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than
36 ninety-seven percent (97%) of the budget of the municipality certified
37 by the state board for the 2001 calendar year. The ~~state board of tax~~
38 ~~commissioners~~ **department of local government finance** may not
39 certify a budget for the municipality under IC 6-1.1-17-16(f) for any
40 later calendar year that is greater than ninety-seven percent (97%) of
41 the budget of the municipality certified by the state board for the
42 calendar year that immediately precedes the later calendar year.

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(b) If the fiscal body of a municipality in a qualifying county adopts an ordinance in a calendar year under section 11(c) of this chapter, the ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the calendar year that immediately succeeds the calendar year in which the ordinance is adopted that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the state board for the calendar year in which the ordinance was adopted. The ~~state board of tax commissioners~~ **department of local government finance** may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the state board for the calendar year that immediately precedes the later calendar year.

(c) Before July 1 of 2002 and of each year thereafter, the ~~state board of tax commissioners~~ **department of local government finance** shall review the budget approved for each municipality in a qualifying county in which a municipal option income tax is in effect to determine whether the restriction under subsection (a) or (b) has been applied. If the restriction has not been applied:

- (1) the municipal option income tax is rescinded as of July 1 of the year in which the review was made;
- (2) the municipality may not impose the municipal option income tax for any later year; and
- (3) the municipality is:
 - (A) subject to subsection (d), if the municipality adopted the municipal option income tax in 2002; or
 - (B) subject to subsection (e), if the municipality adopted the municipal option income tax in a year that succeeds 2002.

(d) In May 2003, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after August 31, 2001, and before July 1, 2002. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this subsection from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(e) In May 2004, and in May of each year thereafter, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality

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after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this ~~subsection~~ **section** from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(f) If a municipality makes a transfer from its general fund to the county's family and children's fund as described in subsection (d) or (e), the ~~state board of tax commissioners~~ **department of local government finance** shall reduce by the amount transferred the county's maximum family and children's fund levy under IC 6-1.1-18.6 **(repealed)** for the calendar year that immediately succeeds the year in which the transfer is made.

(g) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11 of this chapter to impose a municipal option income tax. The maximum permissible ad valorem property tax levy of the municipality is not subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes payable in:

- (1) the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and
- (2) each succeeding calendar year in which the municipal option income tax remains in effect.

(h) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 14 of this chapter to rescind the municipal option income tax, or if the municipal option income tax in a municipality is rescinded by operation of law. For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE, the preceding calendar year is considered to be the calendar year in which an ordinance was adopted under section 11 of this chapter to impose the municipal option income tax.

SECTION 18. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth

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(1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year. For purposes of determining distributions under subsection (b), the ~~state board of tax commissioners~~ **department of local government finance** shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For:

(A) 1997, 1998, and 1999, determine the result of:

~~(A) (i)~~ the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

~~(B) (ii)~~ the amounts appropriated by all the taxing units in the county in the year; **and**

(B) 2002, 2003, and 2004, determine the result of:

(i) the amounts appropriated by the county in the year for the county family and children's fund; divided by

(ii) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (b) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(b) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the ~~state board of tax commissioners~~ **department of local government finance**, from

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property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the ~~state board of tax commissioners~~, **department of local government finance**, from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(c) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a);

for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (b)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

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(B) the amount of refunds granted under IC 6-5-10-7 that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13.

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(d) Except as provided in subsection (f), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (c), STEP FOUR.

(e) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(f) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (d) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

~~(i)~~ **(i)** Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund **plus the amounts appropriated by the county in 2001, 2002, and 2003 from the county family and children's fund**, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item ~~(i)~~ **(i)** by three (3).

SECTION 19. IC 6-6-5-10, AS AMENDED BY P.L.283-2001, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for

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the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) **Except as provided in subsection (d)**, the county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) However, after December 31, 2002, an amount equal to the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county, shall be treated as property taxes apportioned to the county unit. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For:

(A) 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year; **and**

(B) 2001, 2002, and 2003, determine the result of:

(i) the amounts appropriated by the county in the year from the county family and children's fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).



1 STEP FOUR: Determine the amount that would otherwise be
 2 distributed to all the taxing units in the county under this
 3 subsection without regard to this subdivision.

4 STEP FIVE: Determine the result of:

- 5 (i) the STEP FOUR amount; multiplied by
- 6 (ii) the STEP THREE result.

7 The state welfare allocation shall be deducted from the total amount
 8 available for apportionment and distribution to taxing units under this
 9 section before any apportionment and distribution is made. The county
 10 auditor shall remit the state welfare allocation to the treasurer of state
 11 for deposit in a special account within the state general fund.

12 ~~(d)~~ (e) Such determination shall be made from copies of vehicle
 13 registration forms furnished by the bureau of motor vehicles. Prior to
 14 such determination, the county assessor of each county shall, from
 15 copies of registration forms, cause information pertaining to legal
 16 residence of persons owning taxable vehicles to be verified from the
 17 assessor's records, to the extent such verification can be so made. The
 18 assessor shall further identify and verify from the assessor's records the
 19 several taxing units within which such persons reside.

20 ~~(e)~~ (f) Such verifications shall be done by not later than thirty (30)
 21 days after receipt of vehicle registration forms by the county assessor,
 22 and the assessor shall certify such information to the county auditor for
 23 the auditor's use as soon as it is checked and completed.

24 SECTION 20. IC 12-13-5-5, AS AMENDED BY P.L.273-1999,
 25 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2004]: Sec. 5. (a) Each county auditor shall keep records
 27 and make reports relating to the county welfare fund (before July 1,
 28 2001), the family and children's fund (**before July 1, 2005**), and other
 29 financial transactions as required under IC 12-13 through IC 12-19 and
 30 as required by the division.

31 (b) All records provided for in IC 12-13 through IC 12-19 shall be
 32 kept, prepared, and submitted in the form required by the division and
 33 the state board of accounts.

34 SECTION 21. IC 12-17-3-2 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) This section does
 36 not apply to a county department's:

- 37 (1) administrative expenses; or
- 38 (2) expenses regarding facilities, supplies, and equipment.

39 (b) Necessary expenses incurred in the administration of the child
 40 welfare services under section 1 of this chapter shall be paid out of the
 41 ~~county welfare fund or the county family and children's fund.~~
 42 ~~(whichever is appropriate).~~

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SECTION 22. IC 12-19-1-21, AS ADDED BY P.L.273-1999, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 21. **(a)** Notwithstanding any other law, after December 31, 1999, a county may not impose any of the following:

(1) A property tax levy for a county welfare fund.

(2) A property tax levy for a county welfare administration fund.

(b) Notwithstanding any other law, after December 31, 2003, a county may not impose a property tax levy for the county's family and children's fund.

SECTION 23. IC 12-19-1-22, AS ADDED BY P.L.273-1999, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 22. (a) All bonds issued and loans made under IC 12-1-11 (before its repeal) or this article:

(1) before January 1, 2000, that are payable from property taxes imposed under IC 12-19-3 (before its repeal); **or**

(2) before January 1, 2004, that are payable from property taxes imposed under IC 12-19-7-3 (before its amendment to eliminate the authority to impose a property tax levy);

(+) are direct general obligations of the county issuing the bonds or making the loans and **(2)** are payable out of unlimited ad valorem taxes that shall be levied and collected on all taxable property within the county.

(b) Each official and body responsible for the levying of taxes for the county must ensure that sufficient levies are made to meet the principal and interest on the bonds and loans at the time fixed for the payment of the principal and interest, without regard to any other statute. If an official or a body fails or refuses to make or allow a sufficient levy required by this section, the bonds and loans and the interest on the bonds and loans shall be payable out of the county general fund without appropriation.

SECTION 24. IC 12-19-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) A family and children's fund is established in each county. ~~The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:~~

~~(1) is in addition to all other tax levies authorized; and~~

~~(2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items; awards; claims; allowances; assistance; and other expenses set forth in the annual budget under section 6 of this chapter.~~

~~(b) The tax imposed under this section shall be collected as other~~



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1 state and county ad valorem taxes are collected. Notwithstanding any
 2 other law, after December 31, 2003, a county may not impose a
 3 property tax levy for the family and children's fund.

4 (c) The following shall be paid into the county treasury and
 5 constitute the family and children's fund:

6 ~~(1) All receipts from the tax imposed under this section.~~

7 ~~(2) (1) All grants-in-aid; money allocated by the division to the~~
 8 ~~county, whether received from the federal government or state~~
 9 ~~government.~~

10 ~~(3) (2) Any other money required by law to be placed in the fund.~~

11 (d) The fund is available for the purpose of paying expenses and
 12 obligations set forth in the annual budget that is submitted and
 13 approved.

14 SECTION 25. IC 12-19-7-6 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 6. (a) **The judges**
 16 **of the courts with juvenile jurisdiction in the county shall annually**
 17 **compile and submit a proposed budget for children served by the**
 18 **probation department of the county. The judges shall submit the**
 19 **proposed budget to the county director on forms prescribed by the**
 20 **division not later than March 1 of each year for the next state fiscal**
 21 **year.**

22 (b) **The budget for children served by the probation department**
 23 **must contain an estimate of the amount of money that will be**
 24 **needed by the county office during the state fiscal year to defray**
 25 **the expenses and obligations of the fund in the payment of:**

26 **(1) services for children adjudicated to be delinquent or**
 27 **children for whom a program of informal adjustment has**
 28 **been implemented under IC 31-37; and**

29 **(2) other services related to the services described in**
 30 **subdivision (1);**

31 **but not including the payment of Title IV-A assistance.**

32 (c) The county director ~~upon the advice of the judges of the courts~~
 33 ~~with juvenile jurisdiction in the county;~~ shall annually compile and
 34 adopt a child services budget, which **must include the budget**
 35 **submitted by the judges under subsection (a). The budget**
 36 **submitted by the county director under this subsection must be in**
 37 **a form prescribed by the state board of accounts. The budget may not**
 38 **exceed the levy limitation set forth in IC 6-1.1-18.6. division.**

39 ~~(b) (d)~~ **(d) The child services budget must contain an estimate of the**
 40 **amount of money that will be needed by the county office during the**
 41 **next state fiscal year to defray the expenses and obligations incurred**
 42 **by the county office in the payment of services for children adjudicated**



to be children in need of services or delinquent children and other related services, **including amounts necessary to implement the county's early intervention plan approved under IC 31-34-24 and IC 31-37-24**, but not including the payment of AFDC: Title IV-A assistance.

SECTION 26. IC 12-19-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 7. ~~(a) The county director shall, with the assistance of the judges of courts with juvenile jurisdiction in the county and at the same time the budget is compiled and adopted, recommend to the division the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 6 of this chapter. However, the tax levy may not exceed the maximum permissible levy set forth in IC 6-1.1-18.6 and the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

~~(b) After the county budget has been compiled, the county director shall submit a copy of the budget and the tax levy recommended by the county director, and the judges of courts with juvenile jurisdiction in the county, to the division not later than April 1 of each year. The division shall examine the budget and the tax levy for the purpose of determining whether, in the judgment of the division,~~

~~(1) the appropriations requested in the budget will be adequate to defray the expenses and obligations that will be incurred by the county office in the payment of child services for the next fiscal year. and~~

~~(2) the tax levy recommended will yield the amount of the appropriation set forth in the budget.~~

The budget submitted under this section is not subject to IC 6-1.1-17 and IC 6-1.1-18.

SECTION 27. IC 12-19-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 8. **(a) The division may do either of the following after examining a budget submitted by the county office: director:**

(1) Increase or decrease the amount of the budget or an item of the budget. subject to the maximum levy set forth in IC 6-1.1-18.6.

(2) Approve the budget as compiled by the county director. and judges of courts with juvenile jurisdiction in the county.

(3) Recommend the increase or decrease of the tax levy; subject to the maximum levy set forth in IC 6-1.1-18.6.

(4) Approve the tax levy as recommended by the county director

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and judges of courts with juvenile jurisdiction in the county.

(b) The total amount of all approved child services budgets may not exceed the total amount appropriated for child services for the applicable state fiscal year.

SECTION 28. IC 12-19-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11. (a) ~~In September of each year, at the time provided by law, The county fiscal body shall do the following:~~

(~~1~~) make the appropriations out of the family and children's fund that are:

(~~A~~) (1) based on the budget as ~~submitted~~; **approved by the division;** and

(~~B~~) (2) necessary to maintain the child services of the county for the next **state** fiscal year. ~~subject to the maximum levy set forth in IC 6-1.1-18.6.~~

(2) Levy a tax in an amount necessary to produce the appropriated money.

(b) The division shall make advances to the county family and children's fund to ensure that the amounts deposited in the county family and children's fund are adequate to meet the expenses that are to be paid from the fund. Amounts necessary to make the advances under this subsection are appropriated from the state welfare replacement fund and, as needed, from the state general fund.

(c) The provisions of IC 6-1.1-18 concerning appropriations do not apply to appropriations of money from a county family and children's fund.

(d) Notwithstanding IC 36, a county is not required to publish notice of any claim or allowance that will be paid from the county family and children's fund.

SECTION 29. IC 12-19-7-11.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11.1. (a) The judges of the courts with juvenile jurisdiction in the county and the county director shall meet with the ~~county fiscal body~~ **county's early intervention plan team established under IC 31-34-24** at a public meeting

(~~1~~) in April; and

(2) after June 30 and before October 1; **in before April 1 of each year.**

(b) At a meeting required in subsection (a), the county director **and judges with juvenile jurisdiction** shall present to the ~~county fiscal body and the judges~~ the following **reports: information:**

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(1) Expenditures made

(A) during the ~~immediately preceding calendar quarter~~ **current state fiscal year** from the family and children's fund in comparison to ~~one-fourth (1/4) of~~ the budget and appropriations approved by the ~~county fiscal body division~~ for the ~~calendar year. and~~

(B) ~~from the fund in the corresponding calendar quarter of each of the two (2) preceding calendar years.~~

(2) Obligations incurred ~~through the end of the immediately preceding calendar quarter during the current state fiscal year~~ that will be payable from the family and children's fund during the remainder of the ~~calendar~~ **current state fiscal year. or in any subsequent calendar year.**

(3) The number of children, by category, for whom the family and children's fund was required to provide funds for services during the ~~immediately preceding calendar quarter, current state fiscal year,~~ in comparison to the corresponding calendar quarter of each of the two (2) ~~preceding calendar state fiscal years preceding the current state fiscal year.~~

(4) The number and type of out-of-home placements, by category, for which the family and children's fund was required to provide funds for foster home care or institutional placement, and the average daily, weekly or monthly cost of out-of-home placement care and services by category, during the ~~immediately preceding calendar quarter, current state fiscal year,~~ in comparison to the corresponding calendar quarter of each of the two (2) ~~preceding calendar state fiscal years preceding the current state fiscal year.~~

(5) The number of children, by category, for whom the family and children's fund was required to provide funds for services for children residing with the child's parent, guardian or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the ~~immediately preceding calendar quarter, current state fiscal year,~~ in comparison to the corresponding calendar quarter for each of the two (2) ~~preceding calendar years preceding the current state fiscal year.~~

(c) In preparing the ~~reports~~ **information** described in subsection (b), the county director ~~and judges~~ may use the best ~~information data~~ reasonably available from the records of the ~~courts,~~ the county office, and the ~~county family and children's fund for calendar years before 1998:~~ **division.**



(d) At ~~each the~~ meeting described in subsection (a), the ~~county fiscal body,~~ judges and county director may

(1) discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner. ~~and~~

(2) ~~consider actions needed, including revision of budgeting procedures, to eliminate or minimize any anticipated need for short term borrowing for the family and children's fund under any provisions of this chapter or IC 12-19-5.~~

SECTION 30. IC 12-19-7-11.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11.3. (a) The state welfare replacement fund is established for purposes of paying the costs of children's services incurred under this chapter. The fund shall be administered by the budget agency. The expenses of administering the fund shall be paid from money in the fund.**

(b) The treasurer of state shall invest the money in the fund that is not needed to meet the obligations of the fund in the same manner as other public funds are invested. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(c) The money in the fund is appropriated for purposes of paying the costs of children's services incurred under this chapter.

SECTION 31. IC 12-19-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 15. (a) If at any time the county director determines that the family and children's fund is exhausted or will be exhausted before the close of a state fiscal year, the county director shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the county office and pay the obligations of the county office, excluding administrative expenses and facilities, supplies, and equipment expenses for the county office, in the administration of the county office's activities for the unexpired part of the state fiscal year.**

(b) The county director shall do the following:

(1) Certify the estimate and statement to the ~~county executive~~ director.

(2) File ~~the estimate and a statement~~ with the ~~county auditor~~ director concerning:

(A) the reasons the family and children's fund is exhausted or will be exhausted; and

(B) what actions have been taken by the county office to avoid the exhaustion of the fund.



SECTION 32. IC 12-19-7-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 16. (a) The county executive shall consider and act upon an estimate and statement under section 15 of this chapter at:

(1) the county executive's regular session immediately following the filing of the estimate and statement; or

(2) a special session that is:

(A) called for the purpose of considering and acting upon the estimate and statement; and

(B) called before the executive's regular session described in subdivision (1).

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section 15 of this chapter if after consideration of the estimate and statement the county executive finds the following:

(1) That the county director has not appealed to borrow money under IC 12-19-5 (**repealed**) or that the appeal has been denied.

(2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the county office in the administration of the county's child services for the unexpired part of the fiscal year, is greater than the amount of money that may be advanced from the general fund of the county.

SECTION 33. IC 12-19-7-21.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 21.5. (a) Notwithstanding any other law, after December 31, 2003, the state shall fund one hundred percent (100%) of the programs, services, and activities that were payable before January 1, 2004, from county family and children's fund property tax levies.**

(b) Any money remaining in a county family and children's fund on January 1, 2004, must be used for services previously payable from the county family and children's fund. Fund balances in each county family and children's fund are available to the division of family and children beginning January 1, 2004, for use in fulfilling the requirements previously paid from the county family and children's fund within each county.

(c) With the approval of the governor and the budget agency, money appropriated to the division of family and children for programs, services, and activities described in subsection (a) may be augmented from the state general fund.

SECTION 34. IC 21-3-1.7-9, AS AMENDED BY P.L.291-2001,



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SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards under section 9.8 of this chapter, **and** for primetime distributions under IC 21-1-30 ~~and as special and vocational education grants under IC 21-3-1.8-3 or IC 21-3-10~~ for a particular year exceeds:

(1) three billion three hundred sixty-three million four hundred thousand dollars (\$3,363,400,000) in 2001;

(2) three billion four hundred seventy-one million one hundred thousand dollars (\$3,471,100,000) in 2002; and

(3) ~~three billion five hundred ninety-four million two hundred thousand dollars (\$3,594,200,000)~~ **five billion three hundred seventy-two million four hundred thousand dollars (\$5,372,400,000)** in 2003;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 35. IC 20-5-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. If the governing board shall find, by written resolution, that an emergency exists which requires the expenditure of any money for any lawful corporate purpose which was not included in its existing budget and tax levy, it may authorize the making of an emergency loan which may be evidenced by the issuance of its note or notes in the same manner and subject to the same procedure and restrictions as provided for the issuance of its bonds, except as to purpose. At the time for making the next annual budget and tax levy for such school corporation, the governing body shall:

(1) make a levy;

(2) **pledge an amount from the school corporation's anticipated state tuition support distribution; or**

(3) **perform the actions described in both subdivisions (1) and (2);**

to the credit of the fund for which such expenditure is made sufficient



to pay such debt and the interest thereon; however, the interest on the loan may be paid from the debt service fund.

SECTION 36. IC 21-3-1.7-6.8, AS AMENDED BY P.L.291-2001, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.8. **(a) This section does not apply to calendar years beginning after December 31, 2002.**

(b) A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:

STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(b) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:

(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) Thirty-nine dollars (\$39) in 2002. ~~and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.~~

(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the result determined in STEP ONE of the formula in section 6.7(b) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter is equal to STEP ONE of the formula in section 6.7(b) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(ii) The original amount of any excessive tax levy the school

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corporation imposed as a result of the passage, during the preceding year, of a referendum under IC 6-1.1-19-4.5(c) for taxes first due and payable during the year.

(iii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(B) Divide the clause (A) result by the school corporation's current ADM.

(C) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(D) Divide the clause (C) result by ten thousand (10,000).

(E) Determine the greater of the following:

(i) The clause (D) result.

(ii) Thirty-nine dollars (\$39) in 2002. ~~and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.~~

(F) Divide the clause (B) result by the clause (E) amount.

(G) Divide the clause (F) result by one hundred (100).

STEP THREE: Determine the sum of

~~(A) ninety-one and eight-tenths cents (\$0.918) in 2002 and~~

~~(B) ninety-five and eight-tenths cents (\$0.958) in 2003;~~ and

if applicable, the STEP ONE or STEP TWO result.

SECTION 37. IC 21-3-1.7-8, AS AMENDED BY P.L.291-2001, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE:

(A) For a school corporation not described in clause (B), determine the school corporation's result under STEP FIVE of section 6.7(b) of this chapter for the calendar year.

(B) For a school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under STEP ONE (A) of section 6.7(b) of this chapter, determine the sum of:

(i) the school corporation's result under STEP ONE of section 6.7(b) of this chapter for the calendar year; plus

(ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus

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- (iii) the original amount of an excessive tax levy the school corporation imposed as a result of the passage, during the preceding year, of a referendum under IC 6-1.1-19-4.5(c) for taxes first due and payable during the year; plus
- (iv) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

STEP TWO: Determine the remainder of:

(A) the STEP ONE amount; minus

(B) **for calendar year 2002**, the sum of:

- (i) the school corporation's tuition support levy; plus
- (ii) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year.

If the state tuition support determined for a school corporation under this section is negative, the school corporation is not entitled to any state tuition support. In addition, the school corporation's maximum general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount of the negative result.

SECTION 38. IC 21-3-1.7-9, AS AMENDED BY P.L.291-2001, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards under section 9.8 of this chapter, **and** for primetime distributions under IC 21-1-30 **and as special and vocational education grants under IC 21-3-1.8-3 or IC 21-3-10** for a particular year exceeds:

- (1) three billion three hundred sixty-three million four hundred thousand dollars (\$3,363,400,000) in 2001;
- (2) three billion four hundred seventy-one million one hundred thousand dollars (\$3,471,100,000) in 2002; and
- (3) ~~three billion five hundred ninety-four million two hundred thousand dollars (\$3,594,200,000)~~ **five billion three hundred seventy-two million four hundred thousand dollars (\$5,372,400,000)** in 2003;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the

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year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 39. IC 21-4-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. Whenever it is found by the board of school trustees or other proper authorities of any school city or school town that an emergency exists for the borrowing of money with which to meet the current expenses of the schools of such school town or school city, the board of school trustees or other proper authorities of such school city or school town may make temporary loans in anticipation of the current revenues of such school town or school city to an amount not exceeding fifty percent (50%) of the amount of:

- (1) taxes actually levied and in the course of collection; **and**
- (2) **state tuition support received;**

for the fiscal year in which such loans are made. Revenues shall be deemed to be current and taxes shall be deemed to have been actually levied and in the course of collection when the budget levy and rate shall have been finally approved by the ~~state board of tax commissioners~~. **Provided, department of local government finance.** However, ~~That~~ in all second and third class school cities, no such loans shall be borrowed in excess of the sum of twenty thousand dollars (\$20,000) until the letting of the same shall have been advertised once each week for two (2) successive weeks in two (2) newspapers of general circulation published in such school city, and until sealed bids have been submitted at a regular meeting of the school board of such school city, pursuant to such notices, stipulating the rate of interest to be charged by such bidder, and **Provided, further, That** such school loans shall be made with the bidder submitting the lowest rate of interest and submitting with his bid an affidavit showing that no collusion exists between himself and any other bidder for such loan.

SECTION 40. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. This article applies to a financial burden sustained by a county **or the division** as the result of costs paid by the county **or the division** under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 41. IC 31-40-1-2, AS AMENDED BY P.L.273-1999, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) The county shall pay from the county family and children's fund the cost of:

- (1) any services ordered by the juvenile court for any child or the

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1 child's parent, guardian, or custodian, other than secure detention;
 2 and

3 (2) returning a child under IC 31-37-23.

4 (b) The ~~county fiscal body~~ **division** shall provide sufficient money
 5 to meet the court's requirements.

6 SECTION 42. IC 31-40-1-3, AS AMENDED BY P.L.273-1999,
 7 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) A parent or guardian of
 9 the estate of a child adjudicated a delinquent child or a child in need of
 10 services is financially responsible as provided in this chapter (or
 11 IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

12 (b) Each parent of a child alleged to be a child in need of services
 13 or alleged to be a delinquent child shall, before a dispositional hearing,
 14 furnish the court with an accurately completed and current child
 15 support obligation worksheet on the same form that is prescribed by the
 16 Indiana supreme court for child support orders.

17 (c) At:

18 (1) a detention hearing;

19 (2) a hearing that is held after the payment of costs by a county under
 20 section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);

21 (3) the dispositional hearing; or

22 (4) any other hearing to consider modification of a dispositional
 23 decree;

24 the juvenile court shall order the child's parents or the guardian of the
 25 child's estate to pay for, or reimburse the county **or the division** for the
 26 cost of, services provided to the child or the parent or guardian unless
 27 the court finds that the parent or guardian is unable to pay or that
 28 justice would not be served by ordering payment from the parent or
 29 guardian.

30 SECTION 43. IC 31-40-1-5, AS AMENDED BY P.L.273-1999,
 31 SECTION 121, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) This section applies
 33 whenever the court orders or approves removal of a child from the
 34 home of a child's parent or guardian and placement of the child in a
 35 child caring institution (as defined in IC 12-7-2-29), a foster family
 36 home (as defined in IC 12-7-2-90), or the home of a relative of the
 37 child that is not a foster family home.

38 (b) If an existing support order is in effect, the court shall order the
 39 support payments to be assigned to the county office **or the division**
 40 for the duration of the placement out of the home of the child's parent
 41 or guardian. The court shall notify the court that:

42 (1) entered the existing support order; or

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(2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order; of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

(1) Include in the order for removal or placement of the child an assignment to the county office **or the division**, or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

(2) Order support paid to the county office **or the division** by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office **or the division** does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for the cost of (in whole or in part) and the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county office **or the division**.

(e) The Title IV-D agency shall establish, modify, or enforce a

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support order assigned or entered by a court under this section in accordance with IC 12-17-2 and 42 U.S.C. 654. The county office **or the division** shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office **or the division** under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;
of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor, a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the county office **or the division** for all or any portion of the expenses for services provided to or for the benefit of the child that are paid from the county family and children's fund during the placement of the child out of the home of the parent or guardian, in addition to amounts reimbursed through payments in accordance with a support order assigned or entered as provided in this section, subject to applicable federal law.

SECTION 44. IC 36-2-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) This section does not apply to **the following**:

(1) Claims for salaries fixed in a definite amount by ordinance or statute, per diem of jurors, and salaries of officers of a court.

(2) **Claims that will be paid from a county family and children's fund.**

(b) The county auditor shall publish all claims that have been filed for the consideration of the county executive and shall publish all allowances made by courts of the county. Claims filed for the consideration of the executive shall be published at least three (3) days before each session of the executive, and court allowances shall be

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published at least three (3) days before the issuance of warrants in payment of those allowances. In publication of itemized statements filed by assistant highway supervisors for consideration of the executive, the auditor shall publish the name of each party and the total amount due each party named in the itemized statements. Notice of claims filed for consideration of the county executive must state their amounts and to whom they are made. Claims and allowances subject to this section shall be published as prescribed by IC 5-3-1, except that only one (1) publication in two (2) newspapers is required.

(c) A member of the county executive who considers or allows a claim, or a county auditor who issues warrants in payment of allowances made by the county executive or a court of the county, before compliance with subsection (b), commits a Class C infraction.

(d) A county auditor shall publish one (1) time in accordance with IC 5-3-1 a notice of all allowances made by a circuit or superior court. The notice must be published within sixty (60) days after the allowances are made and must state their amount, to whom they are made, and for what purpose they are made.

SECTION 45. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2004]: IC 6-1.1-18.6; IC 12-19-5; IC 12-19-7-4; IC 12-19-7-5; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-16; IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20; IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24; IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28; IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 12-19-7-33; IC 31-34-24-13; IC 31-37-24-13.

SECTION 46. [EFFECTIVE JANUARY 1, 2003] **(a) There is appropriated five billion three hundred seventy-two million four hundred thousand dollars (\$5,372,400,000) from the state general fund for tuition support.**

(b) This SECTION expires July 1, 2004.

SECTION 47. [EFFECTIVE JANUARY 1, 2004] **(a) The division of family and children shall reimburse each county for one hundred percent (100%) of the proportionate share of the operating costs of the county auditor and county treasurer for the support of the county family and children's fund, based upon an approved indirect cost plan.**

(b) This SECTION expires July 1, 2005.

SECTION 48. [EFFECTIVE JULY 1, 2002] **The credits provided under IC 6-1.1-20.4, as added by this act, apply only to property taxes first due and payable after December 31, 2002.**

SECTION 49. [EFFECTIVE JANUARY 1, 2002]

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1 (RETROACTIVE)] IC 6-3.1-4-2, as amended by this act, applies to
 2 taxable years beginning after December 31, 2001.
 3 SECTION 50. An emergency is declared for this act.

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